



Final Minutes Endowment Fund Investment Special Board Meeting June 22, 2017

A special meeting of the Endowment Fund Investment Board (Board) was held in the Board Conference Room at 816 W. Bannock Street, Ste. 301, Boise, Idaho on June 22, 2017. Chairman M. Dean Buffington called the meeting to order at 10:05 a.m. and recognized that a quorum was present.

Members Present:

Dean Buffington
Warren Bakes*
Mary Hughes*
Gary Mahn
Richelle Sugiyama
Irv Littman
Senator Winder

Staff Present:

Larry Johnson
Chris Halvorson
Michelle Watts
Liz Wieneke

Legal Counsel:

None

Members Absent:

Jerry Aldape
Representative Anderson

Guests:

Janet Becker-Wold (Callan)*
Edelene Ohman (STO)

* Attended by teleconference

Electronic copies of board materials were delivered two days prior to the scheduled board meeting and a meeting notice and agenda were posted on the door of the EFIB office beginning Jun 20, 2017.

Chairman Buffington welcomed and introduced Mr. Irving Littman as a new board member. Mr. Littman gave a brief summary of his background.

Mr. Johnson suggested that agenda item #2, a review of international and global investment managers, be moved to Executive Session.

Ms. Sugiyama made a motion that agenda item #2 be moved to Executive Session. The motion was seconded by Senator Winder. A roll call vote was held: Winder, aye; Sugiyama, aye; Mahn, aye; Littman, aye; Hughes, aye; Bakes, aye; Buffington, aye. The motion passed 7-0.

Asset Spending Study proposal

Chairman Buffington and Mr. Johnson provided a brief introduction. The study was requested by some of the members of the Land Board to address the impact, on asset mix and reinvestment policy, of the sale of Idaho residential and commercial properties. Ms. Becker-Wold summarized (via teleconference) the proposed scope of

services for the asset spending study. Callan would begin work in July, preliminary results would be available in September, and final results sometime in November. IDL has agreed to pay half of the cost.

Mr. Johnson indicated that the study would also address the Distribution Policy for the endowments impacted by the recent and ongoing sales of Idaho endowment land.

Ms. Sugiyama asked for clarification on how the results of the study might impact the FY19 distribution, which will be reviewed by the EFIB and approved by the Land Board in August. Mr. Johnson indicated that there would be no impact or possibly an increase.

Ms. Sugiyama moved that the EFIB authorize staff to pay half the cost of the Asset Spending Study up to \$37,500. The motion was seconded by Mr. Mahn. A roll call vote was held: Winder, aye; Sugiyama, aye; Mahn, aye; Littman, aye; Hughes, aye; Bakes, aye; Buffington, aye. The motion passed 7-0.

Ms. Sugiyama requested that documentation of the evolution of endowment's reform strategy be prepared as part of the transition process for the Manager of Investments' position.

Legislative proposal – board compensation

The Board discussed proposing legislation to increase the board's per diem honorarium – currently \$50. The proposal would first be reviewed by the Governor's Office. Senator Winder disclosed that he has declined and wishes to continue to decline receiving the honorarium.

Mr. Bakes moved that the EFIB authorize staff to submit a legislative idea to increase the EFIB's per diem rate to \$100. The motion was seconded by Mr. Mahn. A roll call vote was held: Winder, aye; Sugiyama, no; Mahn, aye; Littman, aye; Hughes, aye; Bakes, aye; Buffington, aye. The motion passed 6-1.

Executive Session

Ms. Sugiyama made a motion that the board enter Executive Session pursuant to Idaho Code §74-206(1), to consider the evaluation of personnel or agents (b). Senator Winder seconded the motion. A roll call vote was held: Winder, aye; Sugiyama, aye; Mahn, aye; Littman, aye; Bakes, aye; Hughes, aye; Buffington, aye. The motion passed 7-0.

The Board entered executive session at 10:48 a.m. related to the evaluation of investment managers.

EFIB staff and Ms. Becker-Wold were invited to remain for the executive session.

Ms. Sugiyama made a motion to leave Executive Session. The motion was seconded by Mr. Mahn and approved unanimously. A roll call vote was held: Winder, aye; Sugiyama, aye; Mahn, aye; Littman, aye; Bakes, aye; Hughes, aye; Buffington, aye. The motion passed 7-0.

The Board returned to regular session 11:04 a.m.

No action was taken during Executive Session.

The Chairman noted that the Board will have a special meeting August 2nd, prior to the regular meeting.

Adjournment

There being no further business to come before the Board, Mr. Mahn made a motion to adjourn, which was seconded by Ms. Sugiyama. A roll call vote was held: Winder, aye; Sugiyama, aye; Mahn, aye; Littman, aye; Bakes, aye; Hughes, aye; Buffington, aye. The motion passed 7-0.

The meeting adjourned at 11:05 a.m.